



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA  
Chief Executive Officer

February 4, 2011

To: Mayor Michael D. Antonovich  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe

From: William T Fujioka  
Chief Executive Officer

A handwritten signature in black ink, appearing to be "W. T. Fujioka", is written over the printed name and title.

Board of Supervisors  
GLORIA MOLINA  
First District

MARK RIDLEY-THOMAS  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

## **CELLULAR PHONE USAGE - STATUS REPORT (ITEM NO. 3, AGENDA OF JANUARY 4, 2011)**

On January 4, 2011, on motion by Mayor Antonovich and Supervisor Molina, your Board directed the Chief Executive Officer (CEO), Auditor-Controller (A-C) and the Director of the Internal Services, to:

1. Ensure that the Department of Children and Family Services (DCFS) immediately implements the seven recommendations contained in the A-C's DCFS' Cellular Phone Audit report (Report) dated December 21, 2010; and report back to the Board within 30 days on the DCFS' progress in implementing each recommendation;
2. Direct each Department Head to conduct an internal review of controls over their department's County cellular telephones and data cards; identify any issues similar to those noted in the Report; and report back to the CEO within 30 days with the results of those reviews;
3. Direct each Department Head to review and immediately implement, as applicable, the findings and recommendations contained in the Report;
4. Develop and implement a uniform Countywide policy for adherence by all County departments to ensure that proper controls are in place for the issuance and use of County cellular phones and data cards; and consult with the Internal Services Department (ISD) on innovations to be included in Countywide policy, such as pooling minutes or data access for all departmental users to reduce call charges;

*"To Enrich Lives Through Effective And Caring Service"*

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5. Coordinate a follow-up audit by the A-C of a sample of departments to verify that they have implemented and are complying with internal controls and policies on the issuance and use of County cellular telephones and data cards; and comprehensively report back within 12 months on the results of the follow-up audit; and
6. Direct the CEO and ISD to report back on whether 2400 tablet devices are being utilized by DCFS staff.

Based on collaboration with the departments listed above, this memorandum provides a response and status report on this Board Order and related efforts regarding cell phones.

#### **DCFS' Progress in Implementing A-C's Recommendations**

A detailed report on DCFS' progress in implementing each recommendation in the Report was sent to the A-C on January 28, 2011. A copy of that report will be forwarded to your Board by the A-C.

#### **Departmental Review of Cell Phones and Data Cards and Implementation of Report's Recommendations**

On December 21, 2010, subsequent to the release of Report, this Office instructed departments to examine the Report closely and ensure that their operations are fully compliant with all applicable policies and procedures, and that effective controls are in place regarding cell phone and data card usage.

Additionally, in response to the Board Order referenced above, this Office instructed departments on January 6, 2011 to submit correspondence by February 4, 2011 with (1) the results of their internal audit of cell phone and data card use, focusing on those items noted in the Report; and (2) those recommendations in the Report relevant for implementation in their department, and the timeframe for such implementation.

Once responses are received from departments, this Office will report back to your Board the findings of the departmental audits, weaknesses identified, and implementation plans for corrective actions.

### **Development of Countywide Policy for Issuance and Use of Cell Phones and Data Cards**

Section 4.7 of the County Fiscal Manual (Manual) outlines the procurement, selection, issuance, proper usage, inventory, bills review, documentation, and other management monitoring responsibilities of cell phones. It also establishes the procedure for employees to reimburse the County for personal use of County cell phones. Utilizing the departmental self-audit reports, this Office will work with A-C and ISD to determine how best to enhance proper controls of cell phones and data cards, which may include modification of the Manual, recommendation of a new Board policy, or a combination of both.

In addition, ISD will engage a consultant to solicit best practice ideas and other innovative ways to control cell phone costs. ISD will also meet with cell phone carriers to explore options for better cost reporting and improved pricing plans.

This Office, in coordination with A-C and ISD, will provide another progress update by early March, and subsequently submit a draft Board policy on cell phones to the Audit Committee, if appropriate.

### **DCFS Tablet Utilization**

The utilization of DCFS tablet devices was reported to your Board by this Office in a separate memo dated January 12, 2011.

### **Other Activities**

As part of the County's Efficiency Initiatives, this Office initiated a study in November 2010, to determine the feasibility of issuing stipends in exchange for the usage of employees' personal cell phone to conduct County business. A stipend program has the potential of reducing the County's overall cell phone costs, while also reducing overage charges and potential abuse. As part of this study, the Chief Information Office is surveying departments and has requested that they submit by February 3 their existing cell plans, number of units, carrier selection, costs, and issuance criteria for cell phones, pagers, data cards, mobile hotspots, and other carrier-based mobile devices. The results of the survey will also assist the analysis of other options.

On January 11, 2011, Governor Brown issued an executive order, directing all State agencies to reduce by 50 percent, the number of government-paid cell phones by June 1, 2011. Governor Brown indicated that 96,000, or 40 percent of State employees currently have government-paid cell phones, and cutting the number by half will save at

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least \$20 million a year. This Office, pending the results of the departmental surveys, will assess whether same or similar action may be appropriate for the County, and develop related recommendation as appropriate.

Please let me know if you have any questions, or your staff may contact Martin Zimmerman at 213.974.1326, or [mzimmerman@ceo.lacounty.gov](mailto:mzimmerman@ceo.lacounty.gov).

WTF:ES:MKZ  
FC:JH:ib

c:     Executive Office, Board of Supervisors  
        Auditor-Controller  
        County Counsel  
        Chief Information Office  
        Internal Services Department